Q1 2023 business activity and revenue

Paris, 26 April 2023, 5:45 p.m. CEST

Revenue and business activity in line with our expectations in a changing market

- **2,811 new home reservations**
- **Revenue stable at €895 million**
  - Strong growth in Serviced properties
  - Significant contribution from major Commercial Real Estate projects
- **High visibility thanks to a well-stocked order backlog (19 months' revenue)**
- **2023 outlook unchanged at this stage**
- **Dividend of €2.50 per share[1] in respect of 2022**, unchanged from the previous fiscal year

KEY FIGURES TO END-MARCH 2023

Home reservations (France)	Q1 2022	Q1 2023	Change Q1 23 vs Q1 22
Volume	**3,490 units**	**2,811 units**	**-19%**
Value	€764m	€575m	-25%

Revenue (€m)	Q1 2022	Q1 2023	Change Q1 23 vs Q1 22
Development	**699**	**701**	+2
Residential Real Estate	627	577	-50
Commercial Real Estate	72	125	+52
Services	**195**	**194**	-1
Revenue	**895**	**895**	**-**

VÉRONIQUE BÉDAGUE, CHAIRWOMAN AND CHIEF EXECUTIVE OFFICER, COMMENTED:

"2023 is a year of transition and adjustment in key real estate market variables. Unsurprisingly, business activity in the first quarter was in line with the fourth quarter of 2022, reflecting the fact that the market is adapting to new economic conditions. In this environment, we are working on each of our developments, both in terms of their set-up and their marketing to adapt to the economic situation.

Group revenue held steady in the first quarter of 2023, in line with our forecasts. Our Services business generated recurring revenue for the Group and our Serviced properties business continued to deliver strong growth.

Against this backdrop, Nexity, at this stage, confirms the guidance issued at the beginning of the year, supported by the diversity of its business lines, its financial strength thanks to having renewed its corporate credit line, and its strategic plan, with the decision to position the Group as a global real estate operator fully borne out by the crisis (growing emphasis on sustainable cities, value shift from product towards use, size premium). However, a continued, extended decline in market conditions could lead the Group, in the course of this year, to adjust the timeline for achieving the financial results set out in the Imagine 2026 plan.

I will have the pleasure of meeting with shareholders at our Shareholders' Meeting on 16 May, where they will be asked to vote on items including a dividend of €2.50 per share, unchanged from last year."

[1] Subject to approval at the Shareholders' Meeting of 16 May 2023

Note: The financial data and indicators used in this press release are based on Nexity's operational reporting, with joint ventures proportionately consolidated. The definitions of the indicators used in this press release are presented at the end of the document. As changes are calculated based on exact figures, there may be rounding differences between reported figures, subtotals and totals.

Residential Real Estate Development

Business activity generated 2,811 reservations in the period to end-March 2023 (down 19% relative to end-March 2022), giving revenue of €575 million (down 25%). As expected, retail sales were in line with Q4 2022 (down 33% relative to Q1 2022) as a result of clients adopting a wait-and-see attitude in light of the economic climate and of borrowing interest rates, which continued to significantly affect demand. However, Nexity's strong partnerships with private and public landlords translated into slightly higher bulk sales in the first quarter (up 2%). The difference between the evolution of reservations by volume and by value is mainly due to the product mix in this quarter, with a higher proportion of sales to social housing operators.

At end-March 2023, efficient management of the supply of properties for sale (down 7% from end-2022 at 9,435 units) and shorter take-up periods (down 0.3 months to 6.5 months) demonstrated the Group's ability to adapt its offering despite a slower pace of sales.

Revenue declined 8% to €577 million, mainly as a result of low volumes of deeds signed at the beginning of the year, following a high volume of deeds signed at the end of 2022 when the "Pinel" scheme in its previous form came to an end.

Outlook

Traditionally, the first quarter is not representative of expected activity over the course of the year. The French market for new homes is set to continue to decline in the first half of 2023, in line with the trend seen in the fourth quarter of 2022, before stabilising in the second half of 2023. Nexity will maintain its leading position thanks to its ability to adapt its new production to the financial capacities of its clients and changing uses.

The Group's low-risk supply for sale (only 34% of which is under construction) and its backlog, which represents almost two years of revenue (€5.2 billion), provides good visibility on revenue for 2023, which is expected to come in at approximately the same level as in 2022.

Commercial Real Estate Development

With the market at a cyclical low and clients still in wait-and-see mode (according to Knight Frank, investment was down 44% in the first quarter of 2023), Nexity, as expected, did not book significant new orders in the period to end-March 2023.

Revenue from Commercial Real Estate totalled €125 million in the period to end-March 2023, up 72% relative to the first quarter of 2022 (€72 million), mainly driven by progress on the La Garenne-Colombes project.

Outlook

The outlook for Commercial Real Estate is still marked by a wait-and-see attitude from investors, and order intake for Commercial Real Estate should remain limited in 2023. The progress of major backlog operations (Eco-campus in La Garenne-Colombes and Reiwa in Saint-Ouen) will ensure revenue growth.

Services

Services revenue to end-March 2023 was stable relative to end-March 2022 at €194 million, with growth in the Serviced Properties business offsetting the decline in the Distribution business.

Revenue (€m)	Q1 2022	Q1 2023	Change Q1 23 vs Q1 22
Property Management	92	92	+1
Serviced Properties	49	61	+12
Distribution	54	40	-14
Revenue	**195**	**194**	**-1**

Revenue from **Property Management** activities (for residential and commercial property) grew a modest 1% in the quarter to €92 million, buoyed by strong performance in residential property management (condominium and rental management), while sales and lettings were affected by market tensions (rising interest rates on borrowing, low occupant turnover and potential buyers adopting a wait-and-see attitude).

Serviced Properties delivered an upbeat performance, generating revenue of €61 million, up 24% relative to end-March 2022, reflecting growth in the portfolio of both coworking spaces and student residences.

Revenue from **Distribution** activities declined (down 26%) as a result of a low number of deeds signed, following the rapid acceleration in the pace of deeds signed at the end of 2022 when the "Pinel" scheme in its previous form came to an end.

Outlook

Serviced Properties activities will continue the profitable growth momentum achieved in 2022, while Distribution activities will suffer from a less buoyant commercial environment.

CONSOLIDATED REVENUE UNDER IFRS

Under IFRS, reported revenue to end-March 2023 came in at €819 million, stable relative to Q1 2022 on a like-for-like basis (€815 million). This figure excludes revenue from joint ventures, in accordance with IFRS 11, which requires these ventures – proportionately consolidated in the Group's operational reporting – to be accounted for using the equity method.

It should be noted that revenue generated by the development businesses from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of all inventoriable costs.

OUTLOOK FOR 2023

The Group, at this stage, confirms the guidance issued in February 2023:

- **2023 revenue in excess of €4.5 billion**, stable relative to 2022 excluding International business
- **Operating profit in excess of €300 million**, reflecting both an adjustment in the market for new homes and the refocusing of the portfolio on France

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FINANCIAL CALENDAR & PRACTICAL INFORMATION

Shareholders' Meeting	Tuesday, 16 May 2023
2022 dividend, subject to approval at the Shareholders' Meeting	
▪ *Ex-dividend date*	*Wednesday, 24 May 2023*
▪ *Payment date*	*Friday, 26 May 2023*
H1 2023 results	Wednesday, 26 July 2023 (after market close)
Q3 2023 revenue and business activity	Wednesday, 25 October 2023 (after market close)

A **conference call** will be held today in French, with simultaneous translation into English, at **6:30 p.m. (Paris time)**, which can be joined via the "Finance" section of our website, https://nexity.group/en/finance, or by calling one of the following numbers:

- Calling from France +33 (0) 1 70 37 71 66
- Calling from elsewhere in Europe +44 (0) 33 0551 0200
- Calling from the United States +1 786 697 3501

Code: Nexity FR

The presentation accompanying this conference will be available on the Group's website from 6:15 p.m. (Paris time) and may be viewed at the following address: Nexity Q1 2023 webcast
The conference call will be available on replay at www.nexity.group/en/finance from the following day.

Disclaimer: The information, assumptions and estimates that the Company could reasonably use to determine its targets are subject to change or modification, notably due to economic, financial and competitive uncertainties. Furthermore, it is possible that some of the risks described in Section 2 of the Universal Registration Document filed with the AMF under number D.23-0251 on 6 April 2023 could have an impact on the Group's operations and the Company's ability to achieve its targets. Accordingly, the Company cannot give any assurance as to whether it will achieve its stated targets, and makes no commitment or undertaking to update or otherwise revise this information.

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ANNEX: OPERATIONAL REPORTING

Residential Real Estate Development – Quarterly reservations

	2021				2022				2023
Number of units	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
New homes (France)	3,508	4,843	4,092	7,658	3,490	4,149	3,807	6,569	2,811
Reservations made directly with Ægide	389	348	-	-	-	-	-	-	-
Total new homes (France)	**3,897**	**5,191**	**4,092**	**7,658**	**3,490**	**4,149**	**3,807**	**6,569**	**2,811**
Subdivisions	338	439	367	772	337	423	219	558	288
Total number of reservations (France)	**4,235**	**5,630**	**4,459**	**8,430**	**3,827**	**4,572**	**4,026**	**7,127**	**3,099**
International	249	404	247	216	133	100	242	174	
Total number of reservations (Group)	**4,484**	**6,034**	**4,706**	**8,646**	**3,960**	**4,672**	**4,268**	**7,301**	

	2021				2022				2023
Value (€m incl. VAT)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
New homes (France)	792	1,056	845	1,447	764	992	805	1,363	575
Reservations made directly with Ægide	90	85	-	-	-	-	-	-	-
Total new homes (France)	**882**	**1,141**	**845**	**1,447**	**764**	**992**	**805**	**1,363**	**575**
Subdivisions	29	42	33	55	27	37	18	53	28
Total amount of reservations (France)	**911**	**1,183**	**878**	**1,502**	**790**	**1,029**	**824**	**1,416**	**604**
International	41	72	48	31	18	2	56	22	
Total amount of reservations (Group)	**952**	**1,255**	**927**	**1,533**	**808**	**1,032**	**880**	**1,438**	

Breakdown of new home reservations (France) by client

(number of units)	Q1 2022		Q1 2023	
Homebuyers	**704**	**20%**	**560**	**20%**
o/w: - First-time buyers	617	18%	481	17%
- Other homebuyers	87	2%	79	3%
Individual investors	**1,430**	**41%**	**867**	**31%**
Professional landlords	**1,356**	**39%**	**1,384**	**49%**
o/w: - Institutional investors	273	8%	146	5%
- Social housing operators	1,083	31%	1,238	44%
Total	**3,490**	**100%**	**2,811**	**100%**
o/w: Reservations made through external growth (Angelotti)	-	-	*58*	

Backlog

	2021				2022				2023
(in millions of euros, excluding VAT)	Q1	H1	9M	12M	Q1	H1	9M	12M	Q1
Residential Real Estate Development (France)	5,183	5,200	5,279	5,236	5,230	5,219	5,168	5,321	5,225
Projects undertaken directly by Ægide	242	-	-	-	-	-	-	-	-
Commercial Real Estate Development	1,138	1,059	1,013	974	935	906	827	779	659
Total (France)	**6,562**	**6,259**	**6,291**	**6,210**	**6,165**	**6,125**	**5,995**	**6,100**	**5,883**
Residential Real Estate Development (International)	216	304	331	329	320	322	343	237	258
Total (Group)	**6,778**	**6,563**	**6,622**	**6,538**	**6,485**	**6,447**	**6,338**	**6,338**	**6,141**

Services

	December 2022	March 2023	Change
Property Management			
Portfolio of homes under management			
- Condominium management	680,000	681,000	0%
- Rental management	160,000	158,000	-1%
Commercial Real Estate			
- Assets under management (in millions of sq.m)	20.0	19.4	-3%
Serviced Properties			
Student residences			
- Number of residences in operation	131	131	-
- Rolling 12-month occupancy rate	97%	97%	-
Shared office space			
- Floor space under management (in sq.m)	110,000	120,000	+10%
- Rolling 12-month occupancy rate	85%	83%	-2 pts
Distribution	**March 2022**	**March 2023**	**Change**
- Total reservations	1,082	867	-20%
- *o/w: Reservations on behalf of third parties*	*670*	*619*	*-8%*

Revenue – Quarterly figures

	2021				2022				2023
(in millions of euros)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Development*	**851**	**827**	**815**	**1,279**	**699**	**839**	**775**	**1,454**	**701**
Residential Real Estate Development*	655	742	735	1,146	626	750	686	1,323	577
Commercial Real Estate Development	195	85	79	133	72	89	89	131	125
Services	**176**	**209**	**198**	**270**	**196**	**226**	**215**	**301**	**194**
Property Management	*91*	*94*	*100*	*94*	*92*	*96*	*98*	*96*	92
Serviced Properties	*35*	*35*	*40*	*47*	*49*	*53*	*53*	*62*	61
Distribution	*50*	*80*	*58*	*129*	*54*	*77*	*64*	*144*	40
Other Activities	**1**	**-**	-	-	**-**	**4**	**1**	**(5)**	**-**
Revenue (restated)**	**1,027**	**1,036**	**1,013**	**1,550**	**895**	**1,069**	**991**	**1,750**	**895**
Revenue from discontinued operations	104	107	-	-	-	-	-	**-**	-
Revenue	**1,132**	**1,143**	**1,013**	**1,550**	**895**	**1,069**	**991**	**1,750**	**895**
o/w: External growth in Residential Real Estate (Angelotti)	-	-	-	-	-	-	-	*45*	*35*

** Reclassification of Villes & Projets (historically classified in Other Activities division) in Residential Real Estate Development.*
*** Excluding operations disposed of in 2021 (Century 21 et Ægide-Domitys).*

GLOSSARY

Business potential: The total volume of potential business at any given moment, expressed as a number of units and/or revenue excluding VAT, within future projects in Residential Real Estate Development (new homes, subdivisions and international) as well as Commercial Real Estate Development, validated by the Group's Committee, in all structuring phases, including the programmes of the Group's urban regeneration business (Villes & Projets); this business potential includes the Group's current supply for sale, its future supply (project phases not yet marketed on purchased land, and projects not yet launched associated with land secured through options).

Current operating profit: Includes all operating profit items with the exception of items resulting from unusual, abnormal and infrequently occurring transactions. In particular, impairment of goodwill is not included in current operating profit.

Development backlog (or order book): The Group's already secured future revenue, expressed in euros, for its real estate development businesses (Residential Real Estate Development and Commercial Real Estate Development). The backlog includes reservations for which notarial deeds of sale have not yet been signed and the portion of revenue remaining to be generated on units for which notarial deeds of sale have already been signed (portion remaining to be built).

EBITDA: Defined by Nexity as equal to current operating profit before depreciation, amortisation and impairment of non-current assets, net changes in provisions, share-based payment expenses and the transfer from inventory of borrowing costs directly attributable to property developments, plus dividends received from equity-accounted investees whose operations are an extension of the Group's business. Depreciation and amortisation includes right-of-use assets calculated in accordance with IFRS 16, together with the impact of neutralising internal margins on disposal of an asset by development companies, followed by take-up of a lease by a Group company.

EBITDA after lease payments: EBITDA net of expenses recorded for lease payments that are restated to reflect the application of IFRS 16 *Leases.*

Free cash flow: Cash generated by operating activities after taking into account tax paid, financial expenses, repayment of lease liabilities, changes in WCR, dividends received from companies accounted for under the equity method and net investments in operating assets.

Joint ventures: Entities over whose activities the Group has joint control, established by contractual agreement. Most joint ventures are property developments (Residential Real Estate Development and Commercial Real Estate Development) undertaken with another developer (co-developments).

Land bank: The amount corresponding to acquired land development rights for projects in France carried out before obtaining a building permit or, in some cases, planning permissions.

Market share for new homes in France: Number of reservations made by Nexity (retail and bulk sales) divided by the number of reservations (retail and bulk sales) reported by the French Federation of Real Estate Developers (FPI).

Net profit before non-recurring items: Group share of net profit restated for non-recurring items such as change in fair value adjustments in respect of the ORNANE bond issue and items included in non-current operating profit (disposal of significant operations, any goodwill impairment losses, remeasurement of equity-accounted investments following the assumption of control).

Order intake – Commercial Real Estate Development: The total of selling prices excluding VAT as stated in definitive agreements for Commercial Real Estate Development projects, expressed in euros for a given period (notarial deeds of sale or development contracts).

Operational reporting: According to IFRS but with joint ventures proportionately consolidated. This presentation is used by management as it better reflects the economic reality of the Group's business activities.

Pipeline: Sum of backlog and business potential; may be expressed in months or years of revenue (as for backlog and business potential) based on revenue for the previous 12-month period.

Property Management: Management of residential properties (rentals, brokerage), common areas of apartment buildings (as managing agent on behalf of condominium owners), commercial properties, and services provided to users.

Reservations by value (or expected revenue from reservations) – Residential Real Estate: The net total of selling prices including VAT as stated in reservation agreements for development programmes, expressed in euros for a given period, after deducting all reservations cancelled during the period.

Revenue: Revenue generated by the development businesses from VEFA off-plan sales and CPI development contracts is recognised using the percentage-of-completion method, i.e. on the basis of notarised sales and pro-rated to reflect the progress of all inventoriable costs.

Serviced Properties: Operation of student residences and flexible workspaces.

Time-to-market: Available market supply compared to reservations for the last 12 months, expressed in months, for the new homes business in France.